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PROSPERITY AND WHY.

The enormous production of the United States, and the strides which she is taking make the countries of Europe look to their commercial laurels. October was, as far as exports are concerned, a phenomenal month. There never was a greater export for any one month from the United States in the whole of its history, and the exports were not raw material, but were in a large measure manufactured goods. This new phase in the commercial world is causing uneasiness in many directions. But this phase, as far as we are concerned, demands the utmost care in our diplomatic relations with many countries. Commerce is the cradle of diplomacy. The first diplomats were merchants.

There is no country more interested in the commercial advancement of the United States than Germany. That Great Britain is feeling the competition is a fact which cannot be controverted. The cotton trade has largely gone into the hands of the United States, or a very considerable slice of it. But Germany feels the competition the more because Germany is pushing for trade and is going through a commercial crisis at the present moment.

From 1891 to the summer of the present year the general course of German industries, and especially the foreign commerce of the country has been rapid and substantial in development and expansion. But the result of the prosperity has been over production. The situation has called forth the consideration whether there is any efficiency in syndicates and cartels for resisting adverse conditions, and whether they actually serve, as is claimed for them the purpose of "a parachute to enable the victims of over production to get safely down to a solid basis." Popular opinion in Germany says that while German syndicates have been on the whole conservatively managed, and have resisted to some extend the advance of prices during the flush years of prosperity, they have not done this sufficiently, but have yielded to the fascinations of large profits, with the result of attracting excessive capital to certain lines of manufacture and creating over production from which the whole country may have to suffer. Whether popular German opinion is right or not remains to be seen.

That a reaction has set in is shown by a recent article in the "Oest-deutsche Presse." This paper points out that the foreign market in textiles has diminished, and home consumption has been reduced. This has meant reduced output and of course the dismissal of laborers. These are moving away, houses and empty, stores which supplied them are in difficulties. Wages have gone down. In good times they were 12 marks per week (2.85) in October the wages had dropped to 8½ marks per week or $2.01. Out of this magnificent wage the German weaver has to provide for his family, and pay rent and taxes. How does he do it? There can be no wonder at the migration of Germans to the United States. A commerce built upon such wages is bound to fail at some time, when it comes in contact with a commerce founded upon the firm basis of United States industry which pays high wages, but, through the skill of its workmen and through its mechanical devices, is able to make a cheap output. In spite of the starvation wages of Germany, American textile fabrics are better and more eagerly sought after in the world's markets, especially in the East, that great market to which all eyes are turned, and which the Western world is ready to fight over.

The cause of the present commercial crisis in Germany is partly the South African war, which has put an end to exports in that direction. Then Germany has several billions of dollars invested in foreign countries which are not bringing in expected returns. There has been a falling off in the exports to the United States in almost every line of goods, this owing to the fact that the United States has herself become a great manufacturer. Take for example the woolen goods exported from Greiz to the United States, as shown in Consul John F. Winter's report. In 1895, the export of these goods from this one place to the United States was valued at $1,008,390. In 1899 the exports were only $48,842. And what is true of Greiz is true of all woolen centers in Germany. There has it is true been an increase in the exports of the empire to England, South America and the Balkan States, but these markets have fallen short of consuming what has been manufactured.

The crucial points are the immense strides in United States manufactures and the failure of the markets in South Africa and China. The latter, at the present time looms up large. Germany presses the war in China with double purpose. She wants revenge for her wounded honor, she wants an exclusive market for her manufactures. The second purpose may not even be realized by the governing powers, but it is a potent factor in German commercial thought.

It is this which makes the Chinese situation so all important to us. With the immense manufacturing strides that we are making at present, the trade with the orient is all important to us. In open competition we can outstrip our competitors. Our cottons, our woolens, our flour, our oil, our watches and clocks, our agricultural implements stand unrivalled, and the figures of our growing oriental trade show how these goods have been appreciated. But it would be a serious blow to our prosperity to suddenly find that vast areas of what is now, or has been up to the present, an open market, closed against us.

We have great prosperity. We find our prosperity in giving good wages to our laboring classes, a well fed, well paid man is a better workman, becomes a more skilled workman than his congener who is paid starvation wages and works like an automaton. We see other less happy countries suffering in the race of material progress. We want to do all in our power to protect our industries, and give them an ample market. This brings us into intimate contact with the rest of the world, and we have to let the world know that we intend to hold our own. If there is to be any partition of China, the United States must have a very strong word to say in the matter.

The United States wants no Territory in China, it seeks to garrison no fortified harbors. But it wants peace in China, and the ability for its merchants to trade in every part of the empire, unmolested. With other countries jealous of her prestige, with other countries feeling a coming commercial depression, we will need the skill of our ablest to protect ourselves. Thank goodness among McKinley's advisers are the ablest men of the age.

IN A FIX.

Having reached these Islands surreptitiously, the San Francisco leper Pratt finds some difficulty in getting returned whence he came. The steamship company was quite willing to make arrangements to ship him back in the Rio de Janeiro, but the passengers had a big kick coming, and it was deemed advisable not to take the unforunate man on board. When the China returns she will have to take Pratt, whether she wants to or not, and it is probable that the doctors upon the steamships will employ a little more vigilance in the future over those who take passage on their vessels.

But this is by no means the end of the incident. There is much light which is needed. Pratt may be the prevaricator that some claim, and undoubtedly he has given cause for such an opinion, but there is also every reason to think that he was sent as a sort of feeler, to see what our health authorities would do. Had the Health authorities shown themselves in the least degree vacillating, there would have been an inroad of leprous patients from California and in all probability from other parts of the mainland as well. However the firm front shown will have a very salutory effect.

That there is an idea of using Molokai as dumping ground for lepers from the mainland is a fact. Suggestions in this direction have appeared in the Coast press and even in papers farther East. It is a fact that one member of Congress at least promised his constituents that he would get lepers removed from the mainland and placed on Molokai. We have every reason, then, to be both careful and vigilant. We not only want to keep any adventurous lepers out of the Territory, but we want to meet any legislative action which may be sprung upon us. We don't want to have the name of the Lazaretto of the Pacific. It is bad enough for us, and expensive enough, to attend to our own patients and sufferers, we surely do not need any addition to our cares.

The matter of a leper coming down from San Francisco is not as simple as it looks, and it behooves us to take the greatest care, and at the same time the keenest forevision, in order to save our good name from obloquy and our Territory having a most disagreeable duty thrust upon it.

AN UNFORTUNATE CONSIGNMENT

A serious circumstance with regard to American double-barrelled breach-loading shot guns came under the notice of Consul Marshal Halstead last month. A whole shipment of these guns having been offered at Birmingham for proof all either burst or bulged. The matter was so important that Consul Halstead investigated and found there were certain legal requirements which the American manufacturers were not complying with.

It is a legal requirement that guns, before they are sold or used in Great Britain, shall have withstood two prescribed tests of strength. This affects double shotguns only. The British maker, before putting shotgun barrels together sends them to the proof house, where they are subjected to a very severe explosive test, and if they withstand this, the maker may feel assured his material is all right; each barrel having received the proof-house mark to indicate that it has withstood the preliminary (called "provisional") or severer test. When gun barrels have been finished and the action attacned (of course, in the finishing process the size of each barrel has been lessened and its strength reduced correspondingly), a final test is made which is not so severe as the first, and each barrel and the action then receive the final or "definitive" proof-house mark, which enables the manufacturer to sell the arm, and the purchaser to use it anywhere in Great Britain.

In Germany and Belgium similar tests are used, and guns so marked are saleable in England without any additional test. In the United States, there are no corresponding legal test requirements, and the result is, that guns shipped to Great Britain in their finished, and therefore weakened, state must receive, in accordance with the law, the severe primary test as well as the final test. American rifle, pistol, and many single breech-loading shot barrels, even in the finished state, are still so strong they pass the great ordeal; but it is almost impossible for any finished double shotgun barrel of ordinary weight, wherever made, to stand the primary test which must be given.

Mr. Halstead points out that it is not discrimination against the American gun, nor is it any inherent fault in American manufacture, but that the fault lies in not having the preliminary test. This it is impossible to do as there are no governmental American gun-proof tests. This may lead to legislation and the establishment of such places. If this were so the cheap and dangerous gun of the mainland would disappear.